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UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

1 In re:

2 SOCIETY OF JESUS, OREGON
3 PROVINCE, an Oregon domestic nonprofit
religious corporation,

4 Debtor.
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Case No. 09-30938-elp11

DISCLOSURE STATEMENT
REGARDING FIRST MODIFIED
JOINT PLAN OF REORGANIZATION
DATED
~~APRIL 4,~~ MAY 27, 2011

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THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY
 THE COURT AS CONTAINING ADEQUATE INFORMATION WITHIN THE
 MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. IF YOU
 HAVE REQUESTED AND RECEIVED A COPY OF THIS DISCLOSURE
 STATEMENT IN CONNECTION WITH THE COURT'S HEARING TO
 CONSIDER APPROVAL OF THE DISCLOSURE STATEMENT, NOTHING
 CONTAINED HEREIN IS OR SHALL BE DEEMED A SOLICITATION OF
 ACCEPTANCE OF THE PLAN OF REORGANIZATION.

1 Society of Jesus, Oregon Province, an Oregon non-profit corporation (the
2 “Debtor”)¹, the Official Committee of Unsecured Creditors appointed in this Case (the
3 “Committee”), and the Future Claimants Representative appointed in this Case (the
4 “Future Claimants Representative” or “FCR”) (collectively the “Proponents”) have
5 prepared this Disclosure Statement in connection with the solicitation of acceptances of
6 the Debtor’s, Committee’s, and FCR’s [First Modified](#) Joint Plan of Reorganization Dated
7 ~~April 4,~~[May 27,](#) 2011 (the “Plan”). A copy of the Plan accompanies this Disclosure
8 Statement.

9 **I. INTRODUCTION AND STATEMENTS REGARDING REPRESENTATIONS.**

10 **A. Introduction.**

11 On February 17, 2009 (the “Petition Date”), the Debtor commenced this Chapter
12 11 reorganization case (“Case”) by filing a voluntary petition under Chapter 11 of the
13 United States Bankruptcy Code (“Bankruptcy Code”). Since the Petition Date, the
14 Debtor has remained a debtor-in-possession pursuant to Sections 1107 and 1108 of the
15 Bankruptcy Code.

16 **B. Definitions and Plan Supremacy.**

17 All terms defined in the Plan, [the Safeco Settlement Agreement, the Travelers](#)
18 [Settlement Agreement](#), and the ~~Safeco~~[Western World](#) Settlement Agreement will have
19 the same meanings when used in this Disclosure Statement. Terms defined in this
20 Disclosure Statement which are also defined in the Plan ~~and Safeco,~~ [the Safeco](#)
21 [Settlement Agreement, the Travelers Settlement Agreement, and the Western World](#)
22 Settlement Agreement are solely for convenience and the Proponents do not intend to
23

24 ¹ [The definition of “Debtor” under the Plan provides that the Debtor includes \(a\) each](#)
25 [Jesuit Community, and \(b\) the Province, to the extent a Jesuit Community and/or the](#)
26 [Province is/are not an entity/entities recognized under civil law that is/are separate from](#)
[the Debtor. To the extent the Province or a Jesuit Community is recognized as a](#)
[separate entity under civil law, it is not considered part of the Debtor and is included as](#)
[a Participating Party under the Plan.](#)

1 change the definitions of those terms from the Plan ~~or the Safeco~~, the Safeco
2 Settlement Agreement, the Travelers Settlement Agreement, or the Western World
3 Settlement Agreement. Furthermore, in the event of any inconsistency between the
4 Plan, the Safeco Settlement Agreement, the Travelers Settlement Agreement, and The
5 Western World Settlement Agreement, and this Disclosure Statement, the Safeco
6 Settlement Agreement, Travelers Settlement Agreement, and Western World
7 Settlement Agreement will control over the Plan and the Disclosure Statement, and the
8 Plan will control over the Disclosure Statement. The Exhibits attached to this Disclosure
9 Statement are incorporated into and are a part of this Disclosure Statement.

10 #

1 **C. Summary of Key Features of the Plan.**

2 The following is a brief summary of the key features of the Plan:

3 • As of June 30, 2010, approximately six hundred forty (640) unresolved
4 Abuse Claims had been filed against the Debtor. Those Claims remain Unresolved and
5 will be Allowed or Disallowed pursuant to the Claims resolution procedures set forth in
6 the Plan. After elimination of duplicate and amended Abuse Claims, the Debtor and the
7 Committee estimate that approximately five hundred thirty five (535) unresolved Current
8 Sexual Abuse Claims (including the claim of the Future Claims Representative
9 appointed in the Chapter 11 case of the Catholic Bishop of Northern Alaska) and one
10 (1) Future Abuse Claim (filed by the FCR) had been filed against the Debtor.

11 • The Debtor expects an unknown number of Future Abuse Claims will be
12 filed after confirmation of the Plan and before the Future Abuse Claims Bar Date which
13 is fifteen (15) years after the Effective Date of the Plan. The FCR estimates that this
14 number could be approximately sixty four (64) Claims.

15 • The Plan includes certain non-monetary agreements by the Reorganized
16 Debtor and certain other parties that the Committee believes will reduce the risk of the
17 future sexual abuse of minors.

18 • The Plan provides for the Reorganized Debtor and Participating Parties to
19 provide: (1) Forty Eight Million One Hundred Thousand Dollars (\$48,100,000.00) in
20 Cash, less the amounts necessary to pay the unpaid Allowed Claims of all Chapter 11
21 Professionals (estimated at approximately \$5,000,000), to the Trust to pay Current
22 Abuse Claims plus any Allowed Future Abuse Claims that are filed after confirmation of
23 the Plan and prior to the Future Abuse Claims Bar Date. This amount will be paid from
24 real and personal property: (1) owned by the Debtor and Participating Parties without
25 restrictions, and (2) held in trust by the Debtor under the names: (a) Oregon Province
26 Formation Fund Charitable Trust, (b) Oregon Province Aged & Infirm Fund Charitable

Trust, (c) Oregon Province Apostolic Works Fund Charitable Trust, and (d) Oregon Province Foundations Fund Charitable Trust. The estimated value of all such property is as follows:

- Debtor's and Participating Parties' Unrestricted Assets – including cash, real property and investments - approximately \$4,518,000;

- The Formation Fund Assets - including cash, real property, and investments valued at approximately \$28,701,000 which the Debtor asserts is held in trust and is restricted in its use to the education, training, and spiritual growth of persons studying to become Jesuits;

- The Aged and Infirm Fund Assets – including cash and investments valued at approximately \$49,186,000 which the Debtor asserts is held in trust and is restricted in its use to the care and welfare of aged, sick, and infirm Jesuits;

- The Apostolic Works Fund Assets – including real property and other assets valued at approximately \$18,556,000 which the Debtor asserts is held in trust and is restricted in its use to promote certain works, such as retreat houses, especially for non-Jesuits, centers for the social apostolate or for the spread of Catholic teaching through the media; for charitable works both in and outside the Society of Jesus; and for other like apostolate that would otherwise lack sufficient resources;

- The Foundations Fund Assets – currently the Foundations Fund contains no assets.

- The Plan further provides for the Debtor's ~~primary Insurers for most of the relevant time frame~~, Safeco Insurance Company of America, American States Insurance Company, and General Insurance Company (collectively "Safeco") to pay the sum of One Hundred Eighteen Million Dollars (\$118,000,000.00); Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company of Illinois,

1 Travelers Companies, Inc., and Travelers Indemnity Company of Connecticut
2 (collectively "Travelers") to pay the sum of One Million Four Hundred Thousand Dollars
3 (\$1,400,000); and Western World Insurance Company ("Western World") to pay the
4 sum of Three Hundred Thousand Dollars \$(300,000); all to the Trust for monetary
5 awards to Current Abuse Claimants and Future Abuse Claimants. In exchange for such
6 ~~payment~~payments, Safeco, Travelers, and Western World will receive the benefit of
7 injunctions in Section 11 of the Plan and more fully described in Section V. of this
8 Disclosure Statement.

9 • The Plan is intended to preserve the Debtor's rights under insurance
10 policies issued by Non-Settling Insurers. Insurance Recoveries will be paid to the Trust.

11 • The Plan provides a mechanism by which Abuse Claimants can seek
12 judgments for Abuse Claims against the Reorganized Debtor for the purpose of
13 subsequently pursuing Insurance Recoveries with respect to such judgments from Non-
14 Settling Insurers, with any recoveries limited solely to available insurance, and not from
15 the Reorganized Debtor or any of its assets.

16 • The Reorganized Debtor will also assign to the Trust the Avoidance
17 Rights (e.g., preferential and fraudulent transfer claims) and Third Party Derivative
18 Claims (e.g., claims against any Person or Entity for disregard of the corporate form,
19 piercing the corporate veil, or alter ego, that would subject such Person or Entity to
20 liability for the Abuse Claims against the Debtor).

21 • The Trust assets will be used solely to pay: (a) unpaid Allowed Chapter 11
22 Professionals' administrative fees and expenses, (b) the fees and expenses of
23 administering the Trust (including determining the Allowed amount of each of the Abuse
24 Claims, professional fees, and taxes), (c) fees and expenses related to liquidation of
25 certain Abuse Claims covered by Non-Settling Insurers and pursuit of Insurance
26

1 Recoveries, and (d) the liquidated Abuse Claims. No other Claims against the Debtor
2 will be paid from the Trust assets.

3 • The Reorganized Debtor will pay all Priority Claims in full. The estimated
4 amount of Priority Claims is \$400.

5 • The Reorganized Debtor will assume the Debtor's obligations for all
6 Retiree Benefit Claims and will pay those Claims as they come due. The estimated
7 amount of the unfunded obligation for such Claims is approximately \$13,700,000;

8 • The Reorganized Debtor will provide \$500,000 for the payment of General
9 Unsecured Claims which are estimated to total approximately \$987,000, ~~resulting in a~~
10 ~~dividend of approximately 50%~~ plus any Allowed Claims filed on account of transfers
11 avoided by the Trust. The dividend to be paid to General Unsecured Creditors. is not
12 known at this time.

13 • The Trust will assume the Debtor's liability for the liquidation and payment
14 of all Abuse Claims. Until the Abuse Claims are liquidated under the Plan, no individual
15 Abuse Claimant will know how much she or he will receive on account of the Abuse
16 Claim. The Committee expects that monetary awards to Abuse Claimants using one of
17 the Allocation Plans will be distributed within thirty (30) days after the Effective Date of
18 the Plan. The Committee expects that monetary awards to Abuse Claimants using
19 litigation to liquidate their Abuse Claims will be distributed several years after the
20 Effective Date of the Plan.

21 • Sexual Abuse Claimants may elect to liquidate their Sexual Abuse Claims
22 through Allocation Plan I or II, litigate their Claims, or may be treated as a Convenience
23 Abuse Claim. Allocation Plan I is attached to the Plan as Exhibit 1.9 and Allocation Plan
24 II is attached to the Plan as Exhibit 1.10. The Ballots provided with the Plan and
25 Disclosure Statement will indicate which elections Sexual Abuse Claimants' counsel
26 recommend and the Claimants' will make their elections on the Ballots. Sexual Abuse

1 Claimants are presumed to elect to liquidate their Claims through one of the Allocation
2 Plans unless they expressly elect to litigate their Sexual Abuse Claims. Allocation Plans
3 I and II have been prepared by the Committee and counsel for Claimants holding
4 Sexual Abuse Claims.

5 • Abuse Claimants represented by counsel who liquidate their Claims by an
6 Allocation Plan will be assigned to Creditor Pools and Allocation Plans based on prior
7 designations by their counsel of record. Abuse Claimants who are not represented by
8 counsel of record will be assigned to a Creditor Pool and Allocation Plan. Each Sexual
9 Abuse Creditor Pool will be funded on a per capita basis utilizing the average amount
10 per claim based on the Trust's assets after reserves for (1) expenses of the Trust's
11 administration, (2) Abuse Claims to be liquidated through litigation, (3) Non-Sexual
12 Abuse Claims, and (4) Future Abuse Claims. At this time, the Plan Proponents
13 approximate that total funding for each Sexual Abuse Creditor Pool will average
14 approximately \$300,000 per person in the pool. This funding formula does not
15 guarantee any amount to any particular Sexual Abuse Claimant. An Award to any
16 individual depends on the outcome of the liquidation of the Sexual Abuse Claim through
17 an Allocation Plan.

18 ○ Sexual Abuse Claimants represented by Tamaki Law and Feltman,
19 Gebhardt, Greer & Zeimantz, P.S. will be in the Tamaki/Spruance Creditor Pool and
20 using Allocation Plan I administered by Hon. William Bettinelli (Retired). Mr. Bettinelli's
21 resume is attached as Exhibit "B". Sexual Abuse Claimants in the Tamaki/Spruance
22 Creditor Pool are listed on Exhibit "D" to this Disclosure Statement.

23 ○ Sexual Abuse Claimants represented by Manly & Stewart and
24 Cooke Roosa LLP, and certain Sexual Abuse Claimants represented by Power &
25 Brown, LLC will be in the Roosa/Manly/Brown Creditor Pool and using Allocation Plan I

administered by Hon. William Bettinelli (Retired). Sexual Abuse Claimants in the Roosa/Manly/Brown Creditor Pool are listed on Exhibit "E" to this Disclosure Statement.

- Sexual Abuse Claimants represented by James, Vernon & Weeks, P.A.; Eymann Allison Hunter Jones P.S.; Pfau; Cochran Vertetis Amala PLLC; Law Offices of Timothy D. Kosnoff; Chasan & Walton, L.L.C.; Kosnoff PLLC; and Gordon Thomas Honeywell LLP, will be in the ~~Northwest Attorneys for Justice~~ Pfau/Kosnoff/James/Allison/Chasan/Walton/ Blume Creditor Pool and using Allocation Plan II administered by Katrina C. Pflaumer. Ms. Pflaumer's resume is attached as Exhibit "C". Sexual Abuse Claimants in the Northwest Attorneys for Justice Creditor Pool are listed on Exhibit "F" to this Disclosure Statement.

- Sexual Abuse Claimants represented by Law Offices of David Henderson, Valcarce Law Office LLC, and certain Sexual Abuse Claimants represented by Power & Brown, LLC will be in the Valcarce/Henderson/Brown Creditor Pool and using Allocation Plan I administered by Hon. William Bettinelli (Retired). Sexual Abuse Claimants in the Valcarce/Henderson/Brown Creditor Pool are listed on Exhibit "G" to this Disclosure Statement.

- Sexual Abuse Claimants may opt out of their assigned Creditor Pools and Allocation Plans and elect other Creditor ~~Pool~~ Pools and Allocation Plans or may elect to liquidate their Claims through litigation.

- Abuse Claimants who are determined to have non-Sexual Abuse Claims may elect to liquidate their Abuse Claims by Allocation Plan III administered by Katrina C. Pflaumer or litigate their Claims. Seventeen Thousand Five Hundred Dollars (\$17,500) is the maximum per Claim liquidation amount for Claims liquidated through Allocation Plan III. Allocation Plan III is attached to the Plan as Exhibit 1.11. Allocation Plan III has been prepared by one of the counsel for Claimants holding Non-Sexual Abuse Claims.

1 • Abuse Claimants electing to litigate their Abuse Claims will be entitled to
2 have their Claims adjudicated and the Allowed amount of their Claims determined by a
3 court of competent jurisdiction. At or before the Confirmation Hearing, the Committee
4 will ask the Bankruptcy Court to estimate the Claims of such Abuse Claimants and the
5 Trustee will create monetary reserves in those amounts. The Trustee will be
6 responsible for defending the Trust against the Abuse Claims of those Abuse Claimants
7 that elect to liquidate their Abuse Claims through litigation and the fees and expenses,
8 including attorney's fees, incurred in that defense will be deducted from the monetary
9 reserve that is based on the Bankruptcy Court's estimate. Once all of the Abuse Claims
10 payable from the reserve are Allowed or Disallowed by Final Orders, the Allowed
11 Claims will be paid pro rata by the Trust from the respective litigation reserve.

12 • Abuse Claimants electing convenience class treatment will receive
13 \$2,500.

14 • Future Abuse Claimants will be required to liquidate their Abuse Claims
15 through Allocation Plan I administered by Hon. William Bettinelli (Retired). A separate
16 monetary reserve, deducted from the total settlement fund of ~~\$166.4~~167.8 million, will
17 be established for the payment of liquidated Future Abuse Claims. The amount of the
18 fund will be no less than approximately \$6.4 million and will increase, based upon the
19 formula set forth in the Plan, if additional funds are recovered from Non-Settling Insurers
20 and certain third parties.

21 • Prior to the Effective Date, all Non-Settling Insurers providing Insurance
22 Coverage for the Abuse Claims will have the opportunity to settle their liability to the
23 Debtor, the Participating Parties, and all Abuse Claimants by reaching an agreement
24 with the Debtor that is approved by the Bankruptcy Court. After the Confirmation Date,
25 Non-Settling Insurers may settle such liability by reaching an agreement with the Trust
26 in the Trustee's sole and absolute discretion. The proceeds of such settlement will be

1 paid to the Trust. As of the date of this Disclosure Statement, ~~none of the Insurers~~
2 ~~providing coverage for the Abuse Claims, other than Safeco, have entered into~~
3 ~~settlement agreements to settle~~ Safeco, Travelers, and Western World have all settled
4 their liability for the Abuse Claims and ~~only Safeco has~~ agreed to provide ~~any~~ funding to
5 the Trust.

6 • Insurers who do not elect to become Settling Insurers will be responsible
7 for providing Insurance Coverage for those Abuse Claims that are covered by their
8 Insurance Policies. Abuse Claims covered by an Insurance Policy issued by a Non-
9 Settling Insurer may be liquidated through litigation against the Reorganized Debtor and
10 the Reorganized Debtor may pursue coverage for such Abuse Claims and obtain
11 Insurance Recoveries on account of those Abuse Claims. Provided however, no
12 recovery shall be had against the Reorganized Debtor or any of its assets. If the Non-
13 Settling Insurer refuses to pay the Reorganized Debtor's defense costs, the Trust will
14 pay those costs. Any Insurance Recoveries on account of such Abuse Claims will be
15 paid to the Trust.

16 • All Abuse Related Contribution/Indemnity Claims held by any Person or
17 Entity against the Debtor, the Reorganized Debtor, or a Participating Party, and all
18 Abuse Related Contribution/Indemnity Claims held by the Debtor, the Reorganized
19 Debtor or a Participating Party against any Person or Entity will, on the Effective Date,
20 be cancelled and released and will be of no further force or effect. However,
21 notwithstanding such cancellation and release, each holder of an Abuse Related
22 Contribution/Indemnity Claim will retain the right to assert such Claim in any proceeding
23 to establish the respective liability of, or to allocate fault to, those Persons or Entities
24 allegedly responsible for an Abuse Claim, but there shall be no affirmative recovery
25 against any holder of an Abuse Related Contribution/Indemnity Claim on account of
26 such allocation of fault.

1 • The Abuse Claimants will retain their rights, if any, against any Person or
2 Entity other than the Debtor, the Reorganized Debtor, the Participating Parties, the
3 Released Parties, and the Settling Insurers for the Abuse Claims, including, without
4 limitation, (i) a Person or Persons having personally committed an act or acts of Abuse
5 resulting in a Claim against the Debtor or a Participating Party, (ii) the Society of Jesus;
6 (iii) the Father General of the Society of Jesus and his predecessors, (iv) the Society of
7 Jesus General Curia; (v) a successor or predecessor of the Debtor to the extent of such
8 successor's or predecessor's independent liability for an act or acts of Abuse; (vi)
9 Gonzaga University; (vii) Seattle University, and (viii) the Jesuit High Schools.

10 • All Punitive Damage Claims will be discharged and enjoined and will
11 receive no distribution under the Plan.

12 **D. Limited Representations.**

13 This Disclosure Statement is submitted in accordance with Section 1125 of the
14 Bankruptcy Code for the purpose of soliciting acceptances of the Plan from holders of
15 certain Claims. The Court has approved this Disclosure Statement as containing
16 information of a kind, and in sufficient detail, which is adequate to enable you to make
17 an informed judgment whether to vote to accept or reject the Plan.

18 THIS DISCLOSURE STATEMENT IS NOT THE PLAN. THIS
19 DISCLOSURE STATEMENT, TOGETHER WITH THE PLAN WHICH
20 ACCOMPANIES THIS DISCLOSURE STATEMENT, SHOULD BE READ
21 COMPLETELY. FOR THE CONVENIENCE OF CREDITORS, THE PLAN
22 IS SUMMARIZED IN THIS DISCLOSURE STATEMENT, BUT ALL
23 SUMMARIES AND OTHER STATEMENTS REGARDING THE PLAN
24 ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN ITSELF, WHICH
25 IS CONTROLLING IN THE EVENT OF ANY INCONSISTENCY.

26 NO REPRESENTATIONS OR ASSURANCES CONCERNING THE
DEBTOR, INCLUDING, WITHOUT LIMITATION, ITS OPERATIONS, THE
VALUE OF ITS ASSETS, OR THE FUTURE OPERATIONS OF THE
REORGANIZED DEBTOR ARE AUTHORIZED BY THE DEBTOR
OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

1 THIS IS A SOLICITATION BY THE PROPONENTS ONLY AND IT IS
2 NOT A SOLICITATION BY THE PROPONENTS' ATTORNEYS OR ANY
3 OTHER PROFESSIONALS EMPLOYED BY THE PROPONENTS. THE
4 REPRESENTATIONS MADE HEREIN ARE THOSE OF THE
5 PROPONENTS AND NOT OF THE PROPONENTS' ATTORNEYS OR
6 ANY OTHER PROFESSIONAL.

7 UNLESS OTHERWISE EXPRESSLY STATED, PORTIONS OF THIS
8 DISCLOSURE STATEMENT DESCRIBING THE DEBTOR'S FINANCIAL
9 CONDITION HAVE NOT BEEN SUBJECTED TO AN INDEPENDENT
10 AUDIT, BUT WERE PREPARED FROM INFORMATION COMPILED BY
11 THE DEBTOR FROM RECORDS MAINTAINED IN THE ORDINARY
12 COURSE OF ITS OPERATIONS. NONE OF THE INFORMATION HAS
13 BEEN COMPILED BY THE COMMITTEE OR THE FUTURE ABUSE
14 CLAIMANTS REPRESENTATIVE. THE DEBTOR ASSERTS THAT
15 REASONABLE EFFORTS HAVE BEEN MADE TO ACCURATELY
16 PREPARE ALL FINANCIAL INFORMATION WHICH MAY BE
17 CONTAINED IN THIS DISCLOSURE STATEMENT FROM THE
18 INFORMATION AVAILABLE TO THE DEBTOR. HOWEVER, AS TO ALL
19 SUCH FINANCIAL INFORMATION, THE DEBTOR IS UNABLE TO
20 WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED
21 HEREIN IS WITHOUT ERROR.

22 THE COMMITTEE AND THE FUTURE CLAIMANTS REPRESENTATIVE
23 ARE CO-PROPONENTS OF THE PLAN. HOWEVER, NEITHER HAS
24 MADE ANY INDEPENDENT EFFORT TO OBTAIN FINANCIAL
25 INFORMATION REGARDING THE DEBTOR OR TO PREPARE THE
26 FINANCIAL INFORMATION SUPPLIED BY THE DEBTOR. THE
COMMITTEE AND THE FUTURE CLAIMANTS REPRESENTATIVE DO
NOT WARRANT OR REPRESENT THAT THE INFORMATION
CONTAINED HEREIN IS ACCURATE.

THE DISCLOSURE STATEMENT INCLUDES STATEMENTS
REGARDING THE DEBTOR'S AND RELATED ENTITIES'
RELATIONSHIP TO ONE ANOTHER AND OWNERSHIP OF REAL AND
PERSONAL PROPERTY AND THAT CERTAIN REAL AND PERSONAL
PROPERTY IS HELD IN TRUST FOR NON-DEBTOR THIRD PARTIES.
THE COMMITTEE DISPUTES THESE STATEMENTS AND SUCH
DISPUTES ARE SETTLED ONLY THROUGH CONFIRMATION OF THE
PLAN, SATISFACTION OF ALL CONDITIONS TO THE EFFECTIVE
DATE, AND PAYMENT OF ALL AMOUNTS DUE TO THE TRUST
UNDER THE PLAN.

THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT
BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE TO
CREDITORS. CREDITORS SHOULD CONSULT THEIR OWN LEGAL

COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS ABOUT TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON CREDITORS.

E. Voting.

Under the Bankruptcy Code, only creditors with Claims in "impaired" classes and with Claims that are Allowed, or have been Temporarily Allowed by the Bankruptcy Court pursuant to an order, are entitled to vote on the Plan. In general, a Claim is "Allowed," as that term is used in the Bankruptcy Code, if (i) the Claim is listed in the Debtor's schedules of liabilities filed with the Bankruptcy Court as not disputed, contingent, or unliquidated, or (ii) a proof of claim has been timely filed with the Claims Agent by the holder of the Claim, and the Debtor has not filed an objection to the Claim, or (iii) the Bankruptcy Court has entered an order allowing the Claim. If a Claim is not Allowed, but the holder thereof wishes to vote on the Plan, the holder must timely file a motion with the Bankruptcy Court requesting that the Claim be Temporarily Allowed.

In order for a class of Claims to vote to accept the Plan, votes representing at least two-thirds in amount and more than one-half in number of the Claims voting in that class must be cast in favor of acceptance of the Plan. As more fully described below, the Debtor is seeking acceptances from holders of Allowed Claims in the following classes (reserving the right to supplement as to any other impaired class(es) of Claims, if any):

<u>Class</u>	<u>Description</u>	<u>Status</u>
Class 3	Current Sexual Abuse Claims	Impaired – Entitled to Vote
Class 3A	Non-Sexual Abuse Claims	Impaired – Entitled to Vote
Class 4	Future Abuse Claims	Impaired – Entitled to Vote
Class 6	Insured Non-Abuse Claims	Impaired – Entitled to Vote
Class 7	General Unsecured Claims	Impaired – Entitled to Vote

Class 8	Penalty Claims	Will Not Receive or Retain any Property Under the Plan – Deemed to Reject
Class 10	Intentionally Omitted	
Class 11	Formation Fund Claim	Will Not Receive or Retain Any Property Under the Plan – Deemed to Reject
Class 13	Donor and Beneficiary Claims	Will Not Receive or Retain Any Property Under the Plan – Deemed to Reject
Class 15	Abuse Related Contribution/Indemnity Claims	Impaired – Entitled to Vote

The following classes of Claims are not impaired under the Plan:

<u>Class</u>	<u>Description</u>	<u>Status</u>
Class 1	Priority Claims	Unimpaired – Deemed to Accept
Class 2	General Unsecured Convenience Claims	Unimpaired – Deemed to Accept
Class 5	Omak Area Shelter Claim	Unimpaired – Deemed to Accept
Class 9	Student Loan Claims	Unimpaired – Deemed to Accept
Class 12	Charitable Gift Annuity Claims	Unimpaired – Deemed to Accept
Class 14	Convenience Abuse Claims	Unimpaired – Deemed to Accept

The specific treatment of each class under the Plan is set forth in the Plan and is summarized in Articles I.F and V of this Disclosure Statement. Section 1129(b) of the Bankruptcy Code provides that, if the Plan is rejected by one or more impaired classes of Claims, the Plan nevertheless may be confirmed by the Court if: (i) the Court determines that the Plan does not discriminate unfairly and is fair and equitable with respect to the rejecting class(es) of Claims that are impaired under the Plan; and (ii) at least one class of impaired Claims has voted to accept the Plan. These requirements are described in further detail in Section VIII.C. of this Disclosure Statement.

A VOTE FOR ACCEPTANCE OF THE PLAN BY THOSE HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE IS IMPORTANT. THE

PROPOSERS RECOMMEND THAT THE HOLDERS OF ALLOWED
IMPAIRED CLAIMS VOTE IN FAVOR OF THE PLAN.

IN ORDER FOR A VOTE TO BE COUNTED, A BALLOT MUST BE
PROPERLY FILLED OUT AND ACTUALLY RECEIVED ON OR BEFORE
4:00 P.M. PACIFIC DAYLIGHT TIME ON , JUNE 30, 2011, BY
THE ~~VOTING~~BALLOTING AGENT AS SET FORTH IN THE BALLOT.

F. Plan Summary. A table summarizing the classification and treatment of
Claims under the Plan is set forth below.

<u>Class/Nature of Claim</u>	<u>Treatment</u>	<u>Approximate Amount of Claims</u>	<u>Dates and Approximate Amount of Distributions</u>	<u>Estimated Distributions</u>
Administrative Claims (Including Professional Fees and Expenses)	Unimpaired	\$5,000,000	To be paid in full by the Reorganized Debtor when such Claims become due, or if already due, on or as soon as reasonably practicable after the Effective Date, or if later, the Allowance Date.	100%
Class 1 Priority Claims	Unimpaired	\$400	To be paid in full by the Reorganized Debtor on or as soon as reasonably practicable after the Effective Date, or if later, the Allowance Date.	100%
Class 2 General Unsecured Convenience Claims	Unimpaired	\$Unknown	To be paid in full by the Reorganized Debtor on or as soon as reasonably practicable after the Effective Date or if later, the Allowance Date.	100%
Class 3 Current Sexual Abuse Claims	Impaired	\$Unknown	Each Allowed Current Sexual Abuse Claim to receive payment from the Trust, with Current Sexual Abuse Claimants electing liquidation through an Allocation Plan being paid from a designated Creditor Pool and	Unknown

<u>Class/Nature of Claim</u>	<u>Treatment</u>	<u>Approximate Amount of Claims</u>	<u>Dates and Approximate Amount of Distributions</u>	<u>Estimated Distributions</u>
			Litigation Current Abuse Claims being paid Pro Rata from a litigation reserve established through the Trust.	
Class 3A Non-Sexual Abuse Claims	Impaired	<u>\$Unknown</u>	Each Allowed Non-Sexual Abuse Claim to receive payment from the Trust, with Non-Sexual Abuse Claimants electing liquidation through an Allocation Plan being paid an amount not to exceed \$17,500 per Claim and Non-Sexual Abuse Claimants electing liquidation through litigation being paid Pro Rata from a litigation reserve established through the Trust.	<u>Unknown</u>
Class 4 Future Abuse Claims	Impaired	\$Unknown	Each Allowed Future Abuse Claim to receive payment from the Trust's Future Abuse Claims Reserve.	Unknown
Class 5 Omak Area Shelter Claim	Unimpaired	\$200,000	The Reorganized Debtor will pay \$200,000 to a homeless shelter(s) in the Omak, WA area.	100%
Class 6 Insured Non-Abuse Claims	Impaired	\$Unknown	Each Allowed Insured Non-Abuse Claim will receive payment solely to the extent covered by insurance but will not be entitled to receive any payment from the Reorganized Debtor.	Unknown
Class 7 General Unsecured Claims	Impaired	<u>\$987,000 plus any amounts recovered by the Trust through assertion of the</u>	\$500,000 to be shared Pro Rata by all holders of Allowed General Unsecured Claims, with payment to be made	50% <u>Unknown</u>

Page 16 of ~~54~~54 – DISCLOSURE STATEMENT ~~CONCERNING~~REGARDING FIRST ~~MODIFIED~~ JOINT PLAN OF REORGANIZATION DATED ~~APRIL 4,~~MAY 27, 2011

<u>Class/Nature of Claim</u>	<u>Treatment</u>	<u>Approximate Amount of Claims</u>	<u>Dates and Approximate Amount of Distributions</u>	<u>Estimated Distributions</u>
		<u>Avoidance Rights</u>	within 30 days of the Effective Date <u>after entry of Final Orders resolving all Avoidance Rights litigation filed by the Committee or Trust</u> , or within 30 days of the Claim being Allowed, whichever is later.	
Class 8 Penalty Claims	Disallowed	\$Unknown	None	None
Class 9 Student Loan Claims	Unimpaired	\$323,000	All student loan obligations will be assumed by the Reorganized Debtor and payments made as they come due	100%
Class 10 Intentionally Omitted				
Class 11 Formation Fund Claim	Disallowed	\$8,953,046	The Claim will be disallowed against the Debtor. The Claim will be acknowledged by the Apostolic Works Fund to be an obligation of such fund and paid according to its terms.	None
Class 12 Charitable Gift Annuity Claims	Unimpaired	\$283,000	The Reorganized Debtor will honor all obligations and payments to Charitable Gift Annuitants as they come due	100%
Class 13 Donor and Beneficiary Claims	Disallowed	\$Unknown	None	None
Class 14 Convenience Abuse Claims	Unimpaired	\$Unknown	Holders of Allowed Convenience Abuse Claims will each receive a payment of \$2,500 from the Trust on or as soon as reasonably practicable	100%

<u>Class/Nature of Claim</u>	<u>Treatment</u>	<u>Approximate Amount of Claims</u>	<u>Dates and Approximate Amount of Distributions</u>	<u>Estimated Distributions</u>
			following the Effective Date	
Class 15 Abuse Related Contribution/Indemnity Claims	Mutual Release	\$Unknown	None	None

II. FUNDING SOURCES FOR THE PLAN.

A. Reorganized Debtor's and Participating Parties' Funding of the Plan.

a. Administrative Claims. The Reorganized Debtor will pay all Allowed Administrative Claims (including the Chapter 11 Professionals' Allowed fees and expenses) in full.

b. General Unsecured Convenience Claims. The Reorganized Debtor will pay all General Unsecured Convenience Claims in full.

c. General Unsecured Claims. The Reorganized Debtor will provide \$500,000 to be distributed Pro Rata to the holders of General Unsecured Claims.

d. Student Loan Claims. The Reorganized Debtor will pay, in its normal course of operations, all Allowed Student Loan Claims, estimated at approximately \$323,000.

e. Charitable Gift Annuity Claims. The Reorganized Debtor will pay all Charitable Gift Annuity Claims, estimated at approximately \$282,000, in full as and when they come due.

f. Retiree Benefit Claims. The Reorganized Debtor will assume the Debtor's obligations for the Retiree Benefit Claims (estimated to total approximately \$13.7 million in unfunded liabilities), and pay those claims as and when they come due.

g. Abuse Claims. The Reorganized Debtor and Participating

1 Parties will contribute to the Trust Forty-Three Million One Hundred Thousand Dollars
2 (~~\$43,100,000.00~~43,100,000) Cash, plus an additional Five Million Dollars
3 (~~\$5,000,000.00~~5,000,000) Cash **less** the Allowed amount of all unpaid Chapter 11
4 Professional Fees (estimated to total approximately \$5,000,000 on the Effective Date),
5 for a total contribution of approximately ~~\$43,100,000.00~~43,100,000. The Trust will also
6 receive the benefit of the Avoidance Claims, including preferential and fraudulent
7 transfer claims, Third Party Derivative Claims (e.g., claims against any Person or Entity
8 for disregard of the corporate form, piercing the corporate veil, or alter ego, that would
9 subject such Person or Entity to liability for the Abuse Claims against the Debtor), and
10 the benefit of Insurance Recoveries against Non-Settling Insurers.

11 The Committee, with standing granted by the Bankruptcy Court, has commenced
12 the Avoidance Actions set forth on Exhibit "H" and the last day to file additional
13 Avoidance Actions under Bankruptcy Code § 546(a) was February 17, 2011, except as
14 such date may be extended pursuant to the Bankruptcy Rules. The Debtor contends
15 that none of the filed Avoidance Actions will result in a recovery for the Trust. The
16 Committee believes that the filed Avoidance Actions may result in a recovery for the
17 Trust; however, the Committee is unable at this time to project the amount of recoveries
18 under the Avoidance Actions.

19 B. Settling Insurers Funding of the Plan. All proceeds from settlements
20 reached with the Debtor's and Participating Parties' Insurers providing Insurance
21 Coverage for the Abuse Claims will be paid to the Trust and used to pay the Trust's
22 expenses and the Abuse Claims. ~~The~~Three of the Debtor's ~~primary Insurer~~Insurers,
23 Safeco, ~~has~~Travelers, and Western World, have reached ~~a settlement~~settlements with
24 the Debtor pursuant to which ~~it~~they will provide One Hundred Eighteen Million Dollars
25 (~~\$118,000,000.00~~118,000,000), One Million Four Hundred Thousand Dollars
26 (\$1,400,000), and Three Hundred Thousand Dollars (\$300,000) respectively to the

1 Trust. The Debtor is seeking Bankruptcy Court approval of the Safeco Settlement
2 Agreement ~~and the terms and conditions of the Bankruptcy Court-approved Safeco,~~
3 Travelers Settlement Agreement, and Western World Settlement Agreement, including
4 injunctions and releases benefitting Safeco, Travelers, and Western World that are
5 included in the Safeco Settlement Agreement ~~and~~ Travelers Settlement Agreement,
6 Western World Settlement Agreement, and the Plan. The Plan contains a provision for
7 other Insurers to become Settling Insurers with the consent of the Trust, in which event
8 those Settling Insurers would be entitled to the benefit of the injunctions and releases
9 provided for Settling Insurers under the Plan.

10 Other than as provided in Section 8 of the Plan, the rights and obligations of Non-
11 Settling Insurers will not be affected by the Plan and such Insurers will continue to
12 provide Insurance Coverage for the Abuse Claims that are covered by their Insurance
13 Policies on a claim-by-claim basis in accordance with the provisions of their Insurance
14 Policies. The Plan provides for the Trust to receive any Insurance Recoveries from the
15 Non-Settling Insurers for each Abuse Claim regardless of whether the Abuse Claim is
16 liquidated through an Allocation Plan or through litigation.

17 //

18 //

19 **III. THE SOCIETY OF JESUS, OREGON PROVINCE.**

20 **A. The History of the Province.**

21 The Roman Catholic Church is a hierarchical religious organization. The Society
22 of Jesus (the "Society" or "SOJ") is a religious order of priests and brothers within the
23 Roman Catholic Church commonly known as the Jesuits. The Society's work is divided
24 geographically into provinces, with the Oregon Province currently encompassing the
25 states of Alaska, Idaho, Montana, Oregon, and Washington. Under Canon Law, a
26 province is a *juridic person*. A *juridic person* is treated as a separate legal entity under

1 Canon Law much like a corporation under civil law. Each province is presided over by a
2 Jesuit priest given the title "Provincial".

3 In 1841 the first Jesuit missionaries arrived in the Pacific Northwest. At that time
4 the cities of Seattle, Portland, and Spokane did not exist. The closest settlement was
5 San Francisco, a small Mexican outpost and mission. These Jesuits committed
6 themselves to a mission which extended on the east from the Rocky Mountains west to
7 the Pacific Ocean and on the south from Mexico north to the Arctic Ocean (the "Rocky
8 Mountain Mission" or "Mission"). On October 25, 1889, Fr. Joseph Cataldo, Superior of
9 the Mission, and three other Jesuit missionaries formed a Montana non-profit religious
10 corporation under the name "Montana Catholic Missions, S.J." to hold funds and
11 property in trust for the Mission, and for establishing and conducting churches, schools,
12 and libraries. On August 22, 1893, Fr. Leopold Van Gorp, the new Superior of the
13 Mission, and two of his consultors, Fr. Cataldo and Fr. Joseph Caruana formed a
14 Washington non-profit religious corporation under the name "Pioneer Educational
15 Society" to provide a civilly recognized entity for holding the Mission's real property in
16 the State of Washington and for other purposes. This coincided with a significant
17 undertaking by the Mission to purchase land for the building of a Catholic residential
18 community in Spokane, Washington. On September 8, 1909, the Rocky Mountain
19 Mission was elevated to the status of a province. On February 18, 1918, Fr. Francis
20 Dillon, Fr. William Deeney, and Fr. Aloisius van der Velden formed an Oregon non-profit
21 religious corporation under the name "Society of Jesus". On February 2, 1932, the
22 states of Oregon, Washington, Idaho, and Montana, and the Territory of Alaska were
23 formally designated the "Oregon Province". Thereafter, the Oregon Province continued
24 to hold its property and conduct its affairs under the two corporations referred to above,
25 Pioneer Educational Society and Society of Jesus. On July 31, 1964, three Jesuit
26 missionaries working in Alaska formed an Alaska non-profit religious corporation under

1 the name "Society of Jesus, Alaska" to hold property and conduct the secular affairs of
2 the Alaska missions, which at that time were independent missions from the Oregon
3 Province. On March 31, 1997, the corporation known as Society of Jesus changed its
4 name to "Society of Jesus, Oregon Province." The Oregon Province continues to utilize
5 each of the above-stated corporations to hold property, both for itself and in trust, and to
6 conduct the Province's secular affairs. Fr. Patrick J. Lee is the current Provincial of the
7 Oregon Province, having served since in that capacity since August 2008. The Province
8 is included within the definition of "Debtor" to the extent it is not an entity recognized
9 under civil law that is separate from the Debtor. To the extent the Province may be
10 recognized as a separate civil entity from the Debtor, it has been included as a
11 Participating Party under the Plan.

12 The Jesuits working within the Oregon Province are organized into Jesuit
13 Communities. Communities are separate *juridic persons* from the Province under
14 Canon Law and pursuant to the Society's own rules and regulations. The following
15 Jesuit Communities exist within the Oregon Province: Arrupe Jesuit Community
16 (Seattle), Bellarmine Jesuit Community (Tacoma), Brother Joe Prince Jesuit Community
17 (St. Mary's, AK), Capitol Hill Jesuit Community (Seattle), Colombiere Jesuit Community
18 (Portland), Gonzaga Jesuit Community (Spokane), Jesuit High School Community
19 (Portland), Manresa Jesuit Community (Spokane), Jesuit Novitiate of St. Francis Xavier
20 (Portland), Regis Jesuit Community (Spokane), Missoula Jesuit Community (Missoula),
21 and Yakima Jesuit Community (Yakima). The Jesuit Communities are included within
22 the definition of "Debtor" to the extent they are not entities recognized under civil law
23 that are separate from the Debtor (which definition excludes Jesuit Community of
24 Gonzaga University, Inc., a Washington corporation). To the extent the Jesuit
25 Communities may be recognized as separate civil entities from the Debtor, they have
26 been included as Participating Parties under the Plan.

1 Each of the Jesuit Communities is responsible for furthering the Society's
2 mission by providing teaching, guidance, counseling, and religious leadership at various
3 institutions known as apostolates. A specific Jesuit Community is assigned to each
4 apostolate. Examples of apostolates within the Province served by the Jesuit
5 Communities include Jesuit High School in Portland, Oregon (served by the Jesuit High
6 School Community), Seattle University in Seattle, Washington (served by the Arrupe
7 Jesuit Community), and Bellarmine Preparatory School in Tacoma, Washington (served
8 by the Bellarmine Jesuit Community). Each of the apostolates is a separately
9 incorporated non-profit corporation under civil law and has been for many years. The
10 apostolates own, possess, operate, and maintain their assets; generate their own
11 revenues from tuition, fees, donations, and other sources; manage their own finances;
12 and are managed and controlled by their officers and an independent board of trustees.
13 Despite each of the apostolates' long-standing separate civil existence, the Committee
14 has asserted that some of these apostolates may be an asset of the Debtor's
15 bankruptcy estate. The Debtor and the apostolates each assert they are separate civil
16 entities and their assets are not part of the Bankruptcy Estate. That dispute ~~is~~has not
17 been settled through the Plan~~—~~, and nothing in the Plan will serve to release the
18 following Persons or Entities from liability for any of the Claims: (i) a Person or Persons
19 having personally committed an act or acts of Abuse resulting in a Claim against the
20 Debtor or a Participating Party, (ii) the Society of Jesus; (iii) the Father General of the
21 Society of Jesus and his predecessors, (iv) the Society of Jesus General Curia; (v) a
22 successor or predecessor of the Debtor to the extent of such successor's or
23 predecessor's independent liability for an act or acts of Abuse; (vi) Gonzaga University;
24 (vii) Seattle University; and (viii) the Jesuit High Schools.
25 The Committee contends that the Debtor has Third Party Derivative claims
26 against, inter alia: (i) the Society of Jesus; (ii) the Father General of the Society of Jesus

1 and his predecessors, (iii) the Society of Jesus General Curia; (iv) Gonzaga University;
2 (v) Seattle University, and/or (vi) the Jesuit High Schools. Under the Plan, Third Party
3 Derivate Claims means Claims against any Person or Entity for disregard of the
4 corporate form, piercing the corporate veil, or alter ego, that would subject such Person
5 or Entity to liability for Abuse Claims against the Debtor. Under the Plan, these claims
6 are assigned to the Trust. The Trustee will determine whether the Trust should
7 prosecute such claims of the Debtor. If the Trustee determines that the Trust should
8 pursue such claims, the Trustee will do so based on the exercise of his business
9 judgment that such litigation would benefit the Trust.

10 **B. The Debtor's and Participating Parties' Assets And Liabilities.**

11 **1. Assets.**

12 There are ~~four~~three main categories of property in which the Debtor and
13 Participating Parties may hold some type of interest. The first category is property the
14 Debtor owns outright without any restrictions or encumbrances and which is available to
15 pay Claims against the Debtor. The second category is property, and the earnings
16 thereon, held in the Formation Fund, Aged & Infirm Fund, Apostolic Works Fund, and
17 Foundations Fund, which the Debtor and Participating Parties assert ~~is~~are held in
18 charitable trusts to be used for specifically enumerated purposes. The third category is
19 property, and the earnings thereon, that the Debtor and the Participating Parties hold
20 and invest for third parties.

21 **(a) Unrestricted Property.** The Debtor's unrestricted property
22 consists of the Debtor's operating accounts, and ~~its~~the Debtor's buildings and tangible
23 personal property located at the Loyola Jesuit Center in Portland, Oregon as described
24 in Section I. C. of this Disclosure Statement. Also included are the funds held by the
25 Jesuit Communities in their bank accounts. The Province does not have any assets
26 separate from the Debtor's assets.

1 **(b) Property Held Within Trusts.** The property held within
2 Trusts consists of the Formation Fund, Aged & Infirm Fund, Apostolic Works Fund, and
3 Foundations Fund property described in Section I.C. of this Disclosure Statement; and,

4 **(c) Third Party Property.** The third party property consists of:
5 (1) Omak Mission Church – Held for the Catholic Bishop
6 of Spokane. Value unknown;
7 (2) DeSmet Mission Farm Property – Held for the
8 ~~Coeur~~Coeur d' Alene tribe. Value unknown; and,
9 (3) Zambia Mission investments – held for the Jesuit
10 Center for Theological Reflection, Zambia, valued at approximately \$207,000.

11 **2. Liabilities.**

12 **(a) Administrative Claims.** The Debtor anticipates that it will
13 owe approximately \$5,000,000 in unpaid Administrative Claims on the Effective Date
14 (assuming an Effective Date of ~~June 15,~~July 25, 2011), consisting primarily of legal fees
15 and expenses owing to the attorneys, accountants, consultants, experts, and other
16 advisors for the Debtor, the Committee, and the FCR.

17 **(b) Priority Claims.** Priority Claims are estimated by the Debtor
18 to total approximately \$400.

19 **(c) General Unsecured Claims.** General Unsecured Claims
20 are estimated by the Debtor to total approximately \$987,000.² These Claims consist
21 primarily of trade claims against the Debtor which were unpaid as of the Petition Date.

22 **(d) Current Abuse Claims.** As of the November 30, 2009

23
24 ² This number could increase if the Committee or Trust is successful in recovering any
25 funds through pursuit of the Avoidance Rights. That is because any Person or Entity
26 that is required to pay the Trust any funds it received as an avoidable transfer may be
entitled to file a Claim for the amount it is required to pay to the Trust. The Committee is
unable to determine at this time, however, whether any of the avoidance actions will be
successful.

1 Claims Bar Date, 609 Current Abuse Claims had been filed against the Debtor. After
2 elimination of duplicate and amended Abuse Claims, the Debtor and the Committee
3 estimate that approximately five hundred thirty-five (535) unresolved Current Abuse
4 Claims and one (1) Future Abuse Claim (filed by the FCR) have been filed against the
5 Debtor. Certain of the unresolved Abuse Claims may be subject to objection prior to the
6 Confirmation of the Plan. At this time, the Debtor and Committee cannot state with
7 certainty the amount that will be available in the Trust to pay Current Abuse Claims
8 because the amount that will be available in the Trust is subject to payment of certain
9 Administrative Expenses which will be unpaid as of the Effective Date and \$~~6.4~~7.23
10 million, plus possible additional amounts as provided in the Plan, for the reserve to pay
11 Future Abuse Claims. In addition, neither the Debtor nor the Committee can estimate
12 the administrative expenses the Trust will incur because they are subject to numerous
13 variables that cannot be identified or quantified at this time. However, based on current
14 information regarding such unpaid Administrative Expenses, the Debtor and Committee
15 estimate that the Trust, net of such unpaid Administrative Expenses and the
16 approximately \$~~6.4~~7.23 million reserve for Future Abuse Claims, will have
17 approximately \$~~155~~156 million available for the payment of Current Abuse Claims and
18 the Trust's administrative expenses. This amount may increase if the Trust receives
19 Insurance Recoveries from Non-Settling Insurers and/or recoveries from the Avoidance
20 Rights.

21 (e) **Future Abuse Claims.** The Debtor and the Committee
22 expect an unknown number of Future Abuse Claims will be filed after confirmation of the
23 Plan and before the Future Abuse Claims Bar Date which is fifteen (15) years after the
24 Effective Date of the Plan. The FCR estimates that this number could be approximately
25 sixty four (64) Claims.

1 **(f) Insured Non-Abuse Claims.** The Debtor is unaware of any
2 such Claims; however, if any do exists they should be covered by the Debtor's liability
3 insurance policies.

4 **(g) Student Loan Claims.** Student Loan Claims are estimated
5 by the Debtor to total approximately \$323,000.

6 **(h) Charitable Gift Annuity Claims.** Charitable Gift Annuity
7 Claims are estimated by the Debtor to total approximately \$262,000.

8 **(i) Retiree Benefit Claims.** Retiree Benefit Claims are
9 estimated by the Debtor to total approximately \$13.7 million in potential unfunded
10 liability.

11 **(j) Donor and Beneficiary Claims.** These Claims consists of
12 the Claims by those Persons or Entities who have made donations to the Debtor or to a
13 Jesuit Community who may allege that their donations, or the property acquired with
14 their donations, are subject to donor imposed restrictions, or are held in trust, which
15 prevents such property from being utilized to pay Claims against the Debtor and the
16 Participating Parties. The Debtor does not believe that any such property is being used
17 to pay Claims. The Debtor does not anticipate any such Claims being asserted that
18 would prevent confirmation of the Plan. The only filed Claims that might fall into this
19 category are the Claims asserted on behalf of the beneficiaries of the Formation Fund,
20 Aged & Infirm Fund, Apostolic Works Fund, and Foundations Fund, which the Debtor
21 believes will likely support the Plan.

22 **(k) Abuse Related Contribution/Indemnity Claims.** Abuse
23 Related Contribution/Indemnity Claims were filed by Catholic Bishop of Northern Alaska,
24 as debtor-in-possession in its own Chapter 11 bankruptcy case pending in the United
25 States Bankruptcy Court for the District of Alaska (Case No. 08-00110-DMD) ("CBNA")^{1,2}
26 Archdiocese of Portland in Oregon (["Archdiocese of Portland"](#)) f/b/o the future claims

1 trust established in its own Chapter 11 bankruptcy case (~~“Archdiocese of Portland”~~); ~~and~~
2 ~~Michael Murphy, the Future Claims Representative in the Catholic Bishop of Northern~~
3 ~~Alaska Chapter 11 bankruptcy case (the “CBNA FCR, and Seattle University (“Seattle~~
4 ~~U”)~~. The claims between CBNA and the Debtor were settled in early 2010 under ~~an~~
5 previous bankruptcy court approved agreement that provided for a mutual release of
6 claims between them ~~as~~which is ~~provided in~~consistent with the treatment for Abuse
7 Related Contribution/Indemnity Claims under the Plan (the “CBNA Settlement”).

8 The Archdiocese of Portland, CBNA, and ~~the CBNA FCR each seek~~Seattle U
9 sought to hold the Debtor liable for all or a proportionate part of ~~future~~ claims that have
10 been, or may be asserted, against the Debtor and ~~the~~CBNA, Seattle U, or the
11 Archdiocese of Portland’s future claims ~~trusts~~trust established ~~in their respective~~under
12 the Archdiocese of Portland’s Chapter 11 ~~bankruptcy cases~~plan. The Debtor is unaware
13 whether any such claims have, or will have, any value. Nevertheless, the Proponents
14 believe the mutual release ~~treatment being afforded such Claims under the Plan is fair~~
15 ~~and equitable to both those Claimants and their respective future claims trusts, and to~~
16 ~~the Debtor and the Abuse Claimants in this Case~~between the Debtor, on the one hand,
17 and CBNA, Seattle U, or the Archdiocese of Portland, on the other hand, is fair and
18 equitable. Otherwise, the Trustee would, following confirmation of the Plan, be entitled
19 to assert claims for contribution or indemnity against Seattle U and the future claims
20 ~~trusts~~trust in the ~~CBNA and~~ Archdiocese of Portland and CBNA cases for those Abuse
21 Claims in this case which qualify as future claims in ~~those cases~~that case. Likewise, the
22 Seattle U and the future claims ~~trusts in those cases~~trust in the Archdiocese of Portland
23 case would be entitled to assert contribution and indemnity claims against the Trust in
24 this Case for those same Abuse Claims. This could result in protracted litigation and
25 expense for Seattle U and the future claims trusts in ~~those cases and the Trust in this~~
26 Case and the Archdiocese of Portland case, which will be avoided by the mutual

1 release.

2 Although the Trust, Seattle U, and the Archdiocese of Portland future claims
3 ~~trusts/reserves in the other cases will be~~ trust would be, and the CBNA future claims
4 trust already is under the CBNA Settlement, precluded from asserting ~~claims~~ Abuse
5 Related Contribution/Indemnity Claims against each other, the Abuse Claimants in this
6 Case will not be prohibited from seeking recovery from ~~both~~ the Trust's ~~Future Abuse~~
7 ~~Claims Reserve in this Case~~, and also from Seattle U and/or the future claims
8 trusts/reserves in the ~~other~~ Archdiocese of Portland and CBNA cases (if ~~the~~ an Abuse
9 ~~Claimants~~ Claimant in this Case can qualify as a future ~~claimants~~ claimant in ~~the~~
10 ~~other~~ those cases). In the event ~~such claims are~~ an Abuse Claim is allowed against
11 Seattle U and one or more trusts, or against more than one trust, ~~but not Seattle U,~~
12 Seattle U and the respective trusts will not be entitled ~~to ask the~~ seek contribution or
13 indemnity from each other ~~trusts~~ to pay all or any portion of the amount for which ~~they~~
14 ~~are held to be~~ Seattle U or a trust is found liable. Subject to applicable law, Seattle U and
15 ~~the Abuse Claimants. The~~ respective trusts may ~~still assert,~~ however, argue for
16 allocation of fault in any litigation with the Abuse Claimant so as to ~~shift~~ attempt to
17 attribute all or any portion of ~~liability~~ fault for the Abuse Claim to the other ~~trusts~~ in order
18 to avoid or reduce the amount ~~they are~~ Seattle U or a specific trust is required to pay to
19 the Abuse Claimant.

20 Counsel for the Creditors Committee in this Case served as counsel to the official
21 creditors committee in the CBNA case and is serving as counsel to the settlement
22 trustee in the CBNA case. Counsel for the Creditors Committee has not represented
23 the Creditors Committee, the CBNA creditors committee, or the CBNA settlement
24 trustee in connection with the treatment of this class of Claims. Counsel for the Debtor
25 in this Case served as counsel to the Archdiocese of Portland in its chapter 11 case,
26 and represents it in limited matters unrelated to this case. Counsel for the Debtor has

not represented the Archdiocese of Portland in connection with the treatment of this class of Claims. The Debtor and counsel for the Debtor will leave it to counsel for the Committee to resolve disputes, if any, that may arise regarding the Archdiocese of Portland's Claims and the treatment of those Claims under the Plan.

IV. DESCRIPTION OF THE PLAN.

The following description of the Plan is for informational purposes only and does not contain all provisions of the Plan. Creditors should not rely on this description for voting purposes but should read the Plan in its entirety. This summary of the Plan does not purport to be complete.

IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE CONTENTS OF THE PLAN AND THIS DISCLOSURE STATEMENT, THE PLAN WILL CONTROL.

A. Classification And Treatment Of Claims Under The Plan.

1. Claim Amounts.

Until Allowed, certain Claims against the Debtor are in unliquidated amounts. Accordingly, the amounts of Claims specified in this Disclosure Statement reflect only the Debtor's estimates based on information available to it. Additionally, the amounts of Claims specified in this Disclosure Statement do not include all Claims that may arise from the rejection of certain executory contracts or other contingent or unliquidated Claims against the Debtor.

2. Effective Date of the Plan.

The Effective Date of the Plan determines when the performance of many of the obligations under the Plan is due. Unless an appeal is taken from the Confirmation Order, the Effective Date is expected to occur on the fifteenth day after entry of the Confirmation Order.

3. Classification Generally.

1 Under the Plan, all Claims against the Debtor, other than Administrative
2 Claims, are divided into fifteen (15) separate classes, which the Debtor believes
3 complies with the requirements of the Bankruptcy Code. Unless otherwise expressly
4 stated in the Plan, the respective treatments under the Plan of Allowed Claims are in full
5 discharge and satisfaction of those Allowed Claims. Except as provided in the Plan, all
6 Claims against the Debtor and arising prior to the Confirmation Date, except for Abuse
7 Claims arising after the Petition Date, will be discharged as of the Effective Date
8 pursuant to Section 1141(d) of the Bankruptcy Code, and as provided in the Plan.

9 **4. Treatment of Claims.**

10 A table that briefly summarizes the classification and treatment of Claims
11 under the Plan is set forth in Section I.F. above. Reference is made to the Plan itself for
12 the specific terms and provisions.

13 **B. Executory Contracts and Unexpired Leases to be Assumed if not**
14 **Rejected.**

15 On the Effective Date, all executory contracts and unexpired leases of the Debtor
16 that have not been assumed or rejected, and are not subject to a pending motion to
17 reject, will be assumed by the Reorganized Debtor in accordance with the provisions
18 and requirements of Sections 365 and 1123 of the Bankruptcy Code. In general,
19 Claims arising from the rejection of an executory contract or unexpired lease must be
20 filed within thirty (30) days after the Effective Date. Every such Claim which is timely
21 filed, if and when Allowed, will be treated as a General Unsecured Claim under the
22 Plan. Every such Claim which is not timely filed by the deadline fixed in the Plan will be
23 forever barred, unenforceable, and discharged, and the Creditor holding the Claim will
24 not receive or be entitled to any distribution under the Plan on account of such Claim.

25 #

26 **C. Objections to Claims.**

1 Notwithstanding the occurrence of the Effective Date, and except as to any Claim
2 that has been Allowed by Court order prior to the Effective Date, the Reorganized
3 Debtor, the Committee, the FCR, any Claimant, the Insurers, or any other party in
4 interest may object to the allowance of any Claim against the Debtor or seek estimation
5 thereof on any grounds permitted by the Bankruptcy Code (except the Reorganized
6 Debtor will not object to any Abuse Claims, and no Abuse Claimant may object to the
7 Abuse Claim of any other Abuse Claimant) by filing the appropriate pleading in the
8 Bankruptcy Court at any time prior to the first Business Day which is at least 30 days
9 after the Effective Date. No payments or other distributions will be made to the holder
10 of a Claim unless and until such Claim is an Allowed Claim or, in the case of a
11 permissible objection by an Abuse Claimant to an Abuse Claim, until liquidated by the
12 Abuse Claims Reviewer. If a non-Abuse Claim is not an Allowed Claim on the Effective
13 Date, or when payment is otherwise due under the Plan, payment on the Allowed Claim
14 (plus interest, if any, as provided in the Plan) will be made as soon as practicable
15 following the Allowance Date. Abuse Claims liquidated through an Allocation Plan will
16 be paid by the Trust as soon as practicable after liquidation by the Abuse Claims
17 Reviewer and the expiration of any time period for reconsideration of the decision of the
18 Abuse Claims Reviewer under an Allocation Plan.

19 **D. Administrative Claims Bar Date.**

20 All requests for payment of Administrative Claims other than Current Obligations
21 must be served and filed with the Bankruptcy Court no later than 30 days after the
22 Effective Date. Except as otherwise allowed by the Bankruptcy Court, any
23 Administrative Claim that is not served and filed by such date will be forever barred.
24 After approval of the final fee applications of the Chapter 11 Professionals by the
25 Bankruptcy Court for services provided and costs incurred during the course of
26

administration of the Case, the Chapter 11 Professionals will not be required to submit any further fee applications to the Bankruptcy Court.

E. Discharge.

Sections 11.1 and 11.2 of the Plan provide the following with respect to the Debtor's Discharge:

11.1 Discharge. Notwithstanding anything to the contrary in the Plan, on the Effective Date, pursuant to Section 1141(d) of the Bankruptcy Code, the Debtor ~~(other than Jesuit Community of Gonzaga University, Inc.)~~ and the Reorganized Debtor will be discharged from all liability for any and all Claims and Debts, known or unknown, whether or not giving rise to a right to payment or an equitable remedy, that arose, directly or indirectly, from any action, inaction, event, conduct, circumstance, happening, occurrence, agreement, or obligation of the Debtor, or the Debtor's Representatives before the Confirmation Date, or that otherwise arose before the Confirmation Date, including all interest, if any, on any such Claims and Debts, whether such interest accrued before or after the date of commencement of this Case, and including all Claims and Debts based upon or arising out of Abuse, and from any liability of the kind specified in Sections 502(g), 502(h), and 502(i) of the Bankruptcy Code, whether or not (a) a proof of claim is filed or is deemed filed under Section 501 of the Bankruptcy Code; (b) such Claim is Allowed under this Plan; or (c) the holder of such Claim has accepted this Plan.

11.1.1 Section 11.1 of the Plan does not apply to (a) the obligations of any Non-Settling Insurers for any Claims; (b) the obligations arising under any settlement agreement between the Debtor and any Settling Insurer approved by the Bankruptcy Court, which are not and will not be discharged; (c) the performance by the Reorganized Debtor of any and all obligations due to the Non-

1 ***Settling Insurers under their Insurance Policies with respect to any Abuse Claim,***
2 ***and (d) (i) a Person or Persons having personally committed an act or acts of***
3 ***Abuse resulting in a Claim against the Debtor or a Participating Party, (ii) the***
4 ***Society of Jesus; (iii) the Father General of the Society of Jesus and his***
5 ***predecessors, (iv) the Society of Jesus General Curia (v) a successor or***
6 ***predecessor of the Debtor to the extent of such successor's or predecessor's***
7 ***independent liability for an act or acts of Abuse; (vi) Gonzaga University; (vii)***
8 ***Seattle University; and (viii) the Jesuit High Schools.***

9 ***11.2 Post-Petition Abuse Claims. Abuse Claims, other than Future Claims,***
10 ***arising or occurring after the Petition Date will not be discharged, released or***
11 ***impaired, with the exception of any Abuse Claim against a Settling Insurer.***

12 **F. Vesting of Property.**

13 Except as otherwise expressly provided in the Plan or in the Confirmation Order,
14 on the Effective Date, the Reorganized Debtor will be vested with all of the property of
15 the Estate free and clear of all Claims, liens, encumbrances, charges and other interests
16 of Creditors and Claimants. As of the Effective Date, the Reorganized Debtor may hold,
17 use, dispose, and otherwise deal with such property and conduct its affairs, in each
18 case, free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy
19 Court, other than those restrictions expressly imposed by the Plan, the Confirmation
20 Order, or the Plan Documents.

21 **G. Exculpation and Limitation of Liability and Injunctions.**

22 **The Plan provides the following with respect to exculpation and limitation**
23 **of liability and injunctions:**

24 ***11.4 Exculpation And Limitation Of Liability. Except as expressly***
25 ***provided in this Plan, none of the Exculpated Parties will have or incur any***
26 ***liability to, or be subject to any right of action by, any holder of a Claim, any other***

1 party in interest, or any of their respective agents, employees, representatives,
2 financial advisors, attorneys, or affiliates, or any of their successors or assigns,
3 for any act or omission in connection with, relating to, or arising out of the Case,
4 including the exercise of their respective business judgment and the performance
5 of their respective fiduciary obligations, the pursuit of confirmation of the Plan, or
6 the administration of the Plan or the Trust, except liability for their willful
7 misconduct or gross negligence (provided however the Debtor and Reorganized
8 Debtor will be discharged from any such liability for such acts or omissions
9 occurring prior to the Confirmation Date), and in all respects, such parties will be
10 entitled to reasonably rely upon the advice of counsel with respect to their duties
11 and responsibilities under the Plan or in the context of the Case.

12 11.5 Supplemental Injunction Preventing Prosecution of Abuse Claims
13 Against Settling Insurers. Pursuant to sections 105(a) and 363 of the Bankruptcy
14 Code, any and all Persons and Entities who now hold or who may in the future
15 hold Claims ~~or interests~~ and Interests of any kind or nature (including all debt
16 holders, all equity holders, governmental, tax and regulatory authorities, lenders,
17 trade and other creditors, Abuse Claimants, other insurers, and all others holding
18 Claims or Interests of any kind or nature whatsoever) against the
19 Province, Debtor, the Reorganized Debtor, the Province, the Participating Parties,
20 the Settling Insurers, the Settling Insurer Other Releasing Parties, ~~Settling~~
21 ~~Insurers,~~ or the Settling ~~Insurers' Insurance~~ Insurer Policies, arising out of,
22 relating to, or in connection with the Settling ~~Insurers' Insurance~~ Insurer Policies
23 or Abuse Claims are hereby permanently stayed, enjoined, barred, and restrained
24 from taking any action, directly or indirectly, to assert, to enforce or to attempt to
25 assert or enforce any such Claim ~~or Interest against Settling Insurers, and all of~~
26 ~~their employees, officers, directors, shareholders, principals, parents, agents,~~

~~attorneys, and representatives, as well as the predecessors, successors,~~
~~assignors, and assigns of Settling Insurers, in their capacity as such, and/or the~~
~~Settling Insurers' Insurance~~ and Interests against the Settling Insurers, the
Settling Insurer Released Parties, and/or the Settling Insurer Policies.

11.6 Supplemental ~~Injunction~~ Injunctions Preventing Prosecution of
Abuse Claims Against Safeco, Travelers, and Western World.

11.6.1 In accordance with the Safeco Settlement Agreement and the
Approval Order that approved the Agreement (as defined in the Safeco Settlement
Agreement), pursuant to sections 105(a) and 363 of the Bankruptcy Code, any
and all Persons and Entities who now hold or who may in the future hold any
Claims (as defined in the Safeco Settlement Agreement) or Interests (as defined
in the Safeco Settlement Agreement) of any kind or nature (including, without
limitation, all debt holders, all equity holders, governmental, tax and regulatory
authorities, lenders, trade and other creditors, Tort Claim (as defined in the
Safeco Settlement Agreement) holders, other insurers, and all others holding
Claims (as defined in the Safeco Settlement Agreement) or Interests (as defined
in the Safeco Settlement Agreement) of any kind or nature whatsoever) against
SJOP, Safeco Other Releasing Parties, Safeco, Safeco Released Parties, or the
Safeco Policies, relating to or in connection with the Safeco Policies, Tort Claims
(as defined in the Safeco Settlement Agreement), or Abuse Claims (as defined in
the Plan), are hereby permanently stayed, enjoined, barred, and restrained from
taking any action, directly or indirectly, to assert, to enforce or to attempt to
assert or enforce any such Claim ~~(as defined in the Safeco Settlement~~
~~Agreement) or Interest against Safeco,~~ (as defined in the Safeco Settlement
Agreement) or Interest (as defined in the Safeco Settlement Agreement) against
Safeco, the Safeco Released Parties, and/or the Safeco Policies.

1 11.6.2 Pursuant to sections 105(a) and 363 of the Bankruptcy Code
2 and in consideration of the undertakings of Travelers pursuant to the Travelers
3 Settlement Agreement, including any of the Travelers' purchases of Travelers
4 Policies from the Debtor free and clear of all Claims (as defined in the Travelers
5 Settlement Agreement) and Interests pursuant to Section 363(f) of the Bankruptcy
6 Code, any and all Persons and Entities who have held, now hold or who may in
7 the future hold Claims (as defined in the Travelers Settlement Agreement) or
8 Interests of any kind or nature (including all debt holders, all equity holders,
9 governmental, tax and regulatory authorities, lenders, trade and other creditors,
10 Abuse Claimants, Future Abuse Claimants, Tort Claimants (as defined in the
11 Travelers Settlement Agreement), other insurers, and all others holding Claims or
12 Interests of any kind or nature whatsoever) against the Debtor, the Estate, the
13 Province, Travelers Other Releasing Parties, Travelers, Travelers Released
14 Parties, or the Travelers Policies, arising out of, relating to, or in connection with
15 the Travelers Policies, Abuse Claims, and/or Tort Claims (as defined in the
16 Travelers Settlement Agreement), are hereby permanently stayed, enjoined,
17 barred, and restrained from taking any action, directly or indirectly, to assert, to
18 enforce or to attempt to assert or enforce any such Claim (as defined in the
19 Travelers Settlement Agreement) or Interest against Travelers, Travelers
20 Released Parties, and/or the Travelers Policies.

21 11.6.3 In accordance with the Western World Settlement Agreement
22 and the Approval Order that approved the Agreement (as defined in the Western
23 World Settlement Agreement), pursuant to sections 105(a) and 363 of the
24 Bankruptcy Code, any and all Persons and Entities who now hold or who may in
25 the future hold any Claims (as defined in the Western World Settlement
26 Agreement) or Interests (as defined in the Western World Settlement Agreement)

1 of any kind or nature (including, without limitation, all debt holders, all equity
2 holders, governmental, tax and regulatory authorities, lenders, trade and other
3 creditors, Tort Claim (as defined in the Western World Settlement Agreement)
4 holders, other insurers, and all others holding Claims (as defined in the Western
5 World Settlement Agreement) or Interests (as defined in the Western World
6 Settlement Agreement) of any kind or nature whatsoever) against SJOP, Western
7 World Other Releasing Parties, Western World, Western World Released Parties,
8 or the Western World Policies, relating to or in connection with the Western
9 World Policies, Tort Claims (as defined in the Western World Settlement
10 Agreement), or Abuse Claims (as defined in the Plan), are hereby permanently
11 stayed, enjoined, barred, and restrained from taking any action, directly or
12 indirectly, to assert, to enforce or to attempt to assert or enforce any such Claim
13 (as defined in the Western World Settlement Agreement) or Interest (as defined in
14 the Western World Settlement Agreement) against Western World, the Western
15 World Released Parties, and/or the Western World Policies.

16 11.6.4 Any Insurer, other than Safeco, Travelers, and Western World,
17 that becomes a Settling Insurer and signs a settlement agreement substantially in
18 the form of the Safeco Settlement Agreement, shall be entitled to the benefits,
19 including all injunctions, as set forth in the form of settlement agreement signed
20 by such Insurer.

21 **11.7 Channeling Injunction Preventing Prosecution of Abuse Claims**
22 **Against ~~Participating Parties, Released Parties, and Safeco~~Channeling Injunction**
23 **~~Beneficiaries.~~** In consideration of the undertakings of the ~~Participating Parties~~
24 ~~and Released Parties~~Channeling Injunction Beneficiaries, pursuant to their
25 respective settlements with the Debtor and/or a Participating Party, the funding of
26 the Trust, other consideration, and to further preserve and promote the

1 agreements between ~~the Debtor, the Participating Parties, and the Released~~
2 ~~Parties~~ and among the Channeling Injunction Beneficiaries, and the protections
3 afforded the ~~Participating Parties and the Released Parties~~ Channeling Injunction
4 Beneficiaries, and pursuant to section 105 of the Bankruptcy Code, ~~;~~ :

5 (a) any and all ~~Abuse Claims (and all such Claims against Safeco), and as~~
6 ~~to Safeco all Tort Claims as defined in the Safeco Settlement Agreement,~~
7 ~~against Safeco, the Participating Parties, and the Released Parties~~ Channeled
8 Claims are channeled into the Trust; and,

9 (b) all Persons or Entities ~~which~~ that have held or asserted, ~~which~~ hold or
10 assert, or ~~which~~ may in the future hold or assert, ~~an Enjoined~~ any Channeled
11 Claim are hereby permanently stayed, enjoined, barred and restrained from taking
12 any action, directly or indirectly, for the purposes of asserting, enforcing, or
13 attempting to assert or enforce any ~~Enjoined~~ Channeled Claim, including:

14 (i) commencing or continuing in any manner any action or other
15 proceeding of any kind with respect to any ~~Enjoined~~ Channeled Claim against
16 ~~Safeco, any Participating Party, or Released Party, its~~ any Channeling Injunction
17 Beneficiaries, their respective predecessors, successors, and assigns, or their
18 respective employees, officers, and directors, or against the property of any
19 ~~Participating Party or Released Party, its~~ Channeling Injunction Beneficiaries,
20 their respective predecessors, successors, and assigns, or their respective
21 employees, officers, and directors;

22 (ii) enforcing, attaching, collecting or recovering, by any manner or
23 means, from ~~Safeco, any Participating Party, or Released Party, its~~ any
24 Channeling Injunction Beneficiaries, their respective predecessors, successors,
25 and assigns, or their respective employees, officers, and directors, or from the
26 property of ~~Safeco, any Participating Party, or Released Party, its~~ any Channeling

Injunction Beneficiaries, their respective predecessors, successors, and assigns, or their respective employees, officers, and directors, with respect to any such ~~Enjoined~~Channeled Claim, any judgment, award, decree, or order against ~~Safeco, a Participating Party, or Released Party~~any Channeling Injunction Beneficiaries, or other Person or Entity;

(iii) creating, perfecting or enforcing any lien of any kind against ~~Safeco, any Participating Party, or Released Party, its~~Channeling Injunction Beneficiaries, their respective predecessors, successors, and assigns, or their respective employees, officers, and directors, or the property of ~~Safeco, any Participating Party, or Released Party, its~~any Channeling Injunction Beneficiaries, their respective predecessors, successors, and assigns, or their respective employees, officers, and directors, with respect to any such ~~Enjoined~~Channeled Claim; and

(iv) asserting, implementing or effectuating any ~~Enjoined~~Channeled Claim of any kind against :

(1) any obligation due ~~Safeco, any Participating Party, or Released Party, its~~any Channeling Injunction Beneficiaries, their respective predecessors, successors, and assigns, or their respective employees, officers, and directors, ~~(2) Safeco, any Participating Party, or Released Party, its;~~

(2) any Channeling Injunction Beneficiaries, their respective predecessors, successors, and assigns, or their respective employees, officers, and directors,; or

(3) the property of ~~Safeco, any Participating Party, or Released Party, its~~any Channeling Injunction Beneficiaries, their respective predecessors, successors, and assigns, or their respective employees, officers and directors, with respect to any such ~~Enjoined~~Channeled Claim.

1 Notwithstanding any provision of this Plan, the foregoing “Channeling
2 Injunction Preventing Prosecution of Abuse Claims Against ~~Participating Parties,~~
3 ~~Released Parties, and Safeco~~Channeling Injunction Beneficiaries” provides
4 absolutely no protection to (i) a Person or Persons having personally committed
5 an act or acts of Abuse resulting in a Claim against the Debtor or a Participating
6 Party, (ii) the Society of Jesus; (iii) the Father General of the Society of Jesus and
7 his predecessors, (iv) the Society of Jesus General Curia; (v) a successor or
8 predecessor of the Debtor to the extent of such successor’s or predecessor’s
9 independent liability for an act or acts of Abuse; (vi) Gonzaga University; (vii)
10 Seattle University; and (viii) the Jesuit High Schools.

11 11.7.1 To the extent not otherwise enjoined in Section 11.6,
12 assertion and enforcement of ~~Abuse Claims, and Tort Claims as defined in the~~
13 ~~Safeco Settlement Agreement~~Channeled Claims, and any attempt to assert or
14 enforce such Claims, by any Person or ~~entity, against Safeco (as defined in the~~
15 ~~Safeco Settlement Agreement), or the Safeco Released Entities (as defined in the~~
16 ~~Safeco Settlement Agreement),~~Entity, against Safeco, the Safeco Released
17 Parties, Travelers, the Travelers Released Parties, Western World, and the
18 Western World Released Parties is hereby permanently stayed, enjoined, barred,
19 and restrained.

20 ~~11.7.2 Notwithstanding anything to the contrary in section 11.5 of the Plan that~~
21 ~~applies to Settling Insurers other than Safeco, and pursuant~~ 11.7.2
22 Pursuant to Paragraph N of the [Proposed] Order Approving Settlement
23 Agreement with Safeco Including Sale of Insurance Policies, ~~Safeco is~~and
24 Section 1.1.21 of the Safeco Settlement Agreement, Safeco, the Safeco Released
25 Parties, Travelers, the Travelers Released Parties, Western World, and the
26 Western World Released Parties are entitled to and hereby shall receive the

1 *benefits and protections of the injunctions in Sections 11.5 and 11.7 of this Plan*
2 *as if Section 11.5 and 11.7 of the Plan applied specifically to Safeco, the Safeco*
3 *Released Parties, Travelers, the Travelers Released Parties, Western World, and*
4 *the Western World Released Parties.*

5 **11.8 Term of Injunctions or Stays and Confirmation of Settlements With**
6 **Settling Insurers, Released Parties, and Participating Parties. All injunctions**
7 **and/or stays provided for in this Plan, the injunctive provisions of Sections 524**
8 **and 1141 of the Bankruptcy Code, and all injunctions or stays protecting aSafeco,**
9 **the Safeco Released Parties, Travelers, the Travelers Released Parties, Western**
10 **World, the Western World Released Parties, Settling Insurers, Settling Insurer**
11 **Released Party, Released Parties, and/or Participating ~~Party~~Parties, and their**
12 **respective predecessors, successors, and assigns, including aSafeco, Travelers,**
13 **Western World, or any other Settling Insurer that has purchased its Insurance**
14 **Policy or Policies in a Section 363 Sale, are permanent and will remain in full**
15 **force and effect following the Effective Date and are not subject to being vacated**
16 **or modified. Debtor's settlement agreements, if any, with Safeco, Travelers,**
17 **Western World, the Settling Insurers, the Released Parties, and the Participating**
18 **Parties previously authorized by the Bankruptcy Court are hereby affirmed and**
19 **any obligations of Debtor with respect to such settlement agreements shall be**
20 **assumed by the Reorganized Debtor and Trustee, as applicable, on the Effective**
21 **Date. None of the injunctions or stays under the Plan provide any protection**
22 **whatsoever to (i) a Person or Persons having personally committed an act or acts**
23 **of Abuse resulting in a Claim against the Debtor or a Participating Party, (ii) the**
24 **Society of Jesus; (iii) the Father General of the Society of Jesus and his**
25 **predecessors or (iv) the Society of Jesus General Curia; (v) a successor or**
26 **predecessor of the Debtor to the extent of such successor's or predecessor's**

1 *independent liability for an act or acts of Abuse; (vi) Gonzaga University; (vii)*
2 *Seattle University; and (viii) the Jesuit High Schools.*

3 H. Reservation of Rights.

4 Except as expressly provided in the Plan and this Disclosure Statement, the Plan
5 will have no force or effect unless the Confirmation Order is entered by the Bankruptcy
6 Court and the Effective Date has occurred. The filing of the Plan, any statement or
7 provision contained in the Plan or in this Disclosure Statement, or the taking of any
8 action by the Debtor or Proponents with respect to the Plan will not be, or be deemed to
9 be, an admission or waiver of any rights of the Debtor or Proponents.

10 V. POST-CONFIRMATION MANAGEMENT OF REORGANIZED DEBTOR.

11 The administration of the Reorganized Debtor will continue as before the Petition
12 Date with the Provincial being the president and sole member of the Reorganized
13 Debtor. Pursuant to the Society's vow of poverty, the Provincial will receive no
14 monetary compensation for his services to the Reorganized Debtor but his needs and
15 expenses will be taken care of by the Jesuit Community of which he is a member.

16 VI. FEDERAL TAX CONSEQUENCES.

17 THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF
18 THE PLAN ARE COMPLEX AND, IN MANY AREAS, UNCERTAIN. ACCORDINGLY,
19 ALL HOLDERS OF CLAIMS ARE STRONGLY URGED TO CONSULT THEIR TAX
20 ADVISORS WITH SPECIFIC REFERENCE TO THE FEDERAL, STATE, AND LOCAL
21 TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO SUCH HOLDER.
22 NEITHER THE PROPONENTS NOR THEIR COUNSEL MAKE ANY
23 REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF
24 CONFIRMATION AND CONSUMMATION OF THE PLAN AS TO THE DEBTOR OR
25 ANY CREDITOR.

1 Under the Internal Revenue Code of 1986, as amended, there may be significant
2 federal income tax issues arising under the Plan described in this Disclosure Statement
3 that affect Creditors in the case. The Trust is structured as a “qualified settlement fund”
4 (“QSF”) within the meaning of Treasury Regulations enacted under Internal Revenue
5 Code Section 486B(g). The Trust is characterized as a QSF because:

6 1. The Trust will be established pursuant to an order of, or be
7 approved by, the United States, any state or political subdivision thereof, or any agency
8 or instrumentality (including a court of law) of any of the foregoing and will be subject to
9 the continuing jurisdiction of that governmental authority;

10 2. The Trust will be established to resolve or satisfy one or more
11 contested or uncontested claims that have resulted or may result from an event that has
12 occurred and that has given rise to at least one claim asserting liability arising out of,
13 among other things, a tort, breach of contract, or violation of law (but excluding non-tort
14 obligations of the Debtor to make payments to its general trade creditors or debt holders
15 that relates to: a case under Title 11 of the United States Code, a receivership,
16 foreclosure of similar proceeding in a federal or state court, or a workout); and

17 3. The Trust will be a trust under state law.

18 The primary tax consequences of the Trust being characterized as a QSF are the
19 following:

20 (a) the Trust must use a calendar taxable year and the accrual
21 method of accounting;

22 (b) the Trust takes a fair market value basis in property
23 contributed to it by the Debtor and others;

24 (c) the Trust's income is taxed to the trust; and,

25 (d) the Trust will have a separate taxpayer identification number.

26 The Trust will be required to comply with a number of other administrative tax

1 rules, including filing appropriate information returns (generally IRS Form 1099 - MISC)
2 when approved payments are made to an Abuse Claimant, their attorney, or other
3 designated payee such as a “qualified assignee” within the meaning of Section 130 of
4 the Internal Revenue Code of 1986, as amended. It is not practicable to present a
5 detailed explanation of every possible federal and state income tax ramifications of the
6 Trust or the Plan.

7 4. The Trust will pay taxes (if any) relating to its income and to distributions
8 pursuant to the Plan, and/or the Trust and will retain reserves to do so. The Debtor and
9 the Reorganized Debtor will have no tax liability or reporting obligations with respect
10 related to the Trust’s income or distributions pursuant to the Plan and/or the Trust.

11 **VII. ACCEPTANCE AND CONFIRMATION.**

12 **A. Voting Procedures.**

13 **1. Generally.**

14 Only the FCR and those Creditors whose Claims fall within one or more
15 classes that are impaired under the Plan are eligible to vote to accept or reject the Plan.
16 In that regard, only the FCR and holders of Allowed or Temporarily Allowed Claims in
17 Classes 3, 4, 6, 7, 10 and 15 are entitled to vote on the Plan. Classes 1, 2, 5, 9, 12, and
18 14 are not impaired under the Plan and are deemed to have accepted the Plan without
19 voting. Classes 8, 11, and 13 will not receive or retain any property under the Plan and
20 are deemed to have rejected the Plan without voting. The Debtor reserves the right to
21 supplement this Disclosure Statement (if necessary) and to solicit any of those Classes
22 which may prove to be impaired and entitled to vote.

23 Separate Ballots will be sent to the FCR and known holders of Claims whether or
24 not such Claims are Disputed. However, only the FCR and holders of Allowed or
25 Temporarily Allowed Claims in one or more impaired classes are entitled to vote on the
26 Plan. A Claim to which an objection has been filed is not an Allowed Claim unless and

1 until the Bankruptcy Court rules on the objection and enters an order allowing the Claim.
2 The holder of a Disputed Claim is not entitled to vote on the Plan unless the holder of
3 such Claim requests that the Bankruptcy Court, pursuant to Bankruptcy Rule 3018,
4 temporarily allow the Claim in an appropriate amount solely for the purpose of enabling
5 the holder of such Disputed Claim to vote on the Plan, and the Bankruptcy Court does
6 so.

7 **2. Current Abuse Claimant and FCR Elections.** All Current Abuse
8 Claimants and the FCR must make the following elections, as applicable, on the Ballot
9 for accepting or rejecting the Plan:

10 **a.** Current Abuse Claims will be deemed to be Abuse
11 Claims to be liquidated through the Creditor Pools, Class 3A, and the Allocation Plans
12 indicated on the Abuse Claimant's Ballot unless: (a) an objection to the Claim is filed
13 prior to the final hearing on the Disclosure Statement, or (b) the Abuse Claimant
14 affirmatively elects on the ballot for accepting or rejecting the Plan to have the Abuse
15 Claim treated as either a Litigation Current Abuse Claim or a Convenience Abuse
16 Claim, or (c) the Abuse Claimants elects to participate in a different Creditor Pool or
17 Allocation Plan than those indicated on the Abuse Claimant's Ballot. Litigation Current
18 Abuse Claimants will be required to litigate their Abuse Claims against the Reorganized
19 Debtor with the Allowed amount of the Abuse Claim being determined by trial,
20 settlement, or dismissal; provided that the non-Insurance assets of the Reorganized
21 Debtor are not liable for Allowed Litigation Abuse Claims and the Reorganized Debtor
22 will have no personal responsibility or liability for the payment of such Claims. Current
23 Abuse Claimants may have the liquidated amount of their Claims determined by the
24 Abuse Claims Reviewer pursuant to an Allocation Plan without the need for trial.

1 b. Future Abuse Claims will be liquidated pursuant to Allocation
2 Plan I administered by Hon William Bettinelli, Ret. by the FCR's acceptance of the Plan
3 on behalf of all Future Abuse Claimants.

4 **3. Incomplete Ballots.**

5 Ballots which are signed, dated, and timely received, but on which a vote
6 to accept or reject the Plan has not been indicated, will not be counted as a vote either
7 to accept or to reject the Plan or as a vote cast with respect to the Plan.
8 Notwithstanding the foregoing, the designation of Creditor Pools and Allocation Plans
9 on the Ballot will be applicable to the Abuse Claimant identified on such Ballot.

10 //

11 **4. Withdrawal Of Ballots; Revocation.**

12 The FCR and any Creditor which has delivered a Ballot accepting or
13 rejecting the Plan may withdraw such acceptance or rejection by delivering a written
14 notice of withdrawal to the Debtor's attorneys, at any time prior to the voting deadline.

15 A notice of withdrawal, to be valid, must: (i) contain the description of the
16 Claim or Claims to which it relates and the amount of such Claim or Claims (except for
17 Future Abuse Claims); (ii) be signed by the FCR or Creditor in the same manner as the
18 Ballot; and (iii) be received by the Debtor's attorneys, Sussman Shank LLP, in a timely
19 manner at the address set forth below.

20 If an Abuse Claimant withdraws an acceptance but does not elect out of
21 the Creditor Pool and Allocation Plan indicated on the Ballot, the Claimant's Abuse
22 Claim will be treated in accordance with the indicated Creditor Pool and Allocation Plan.

23 Unless otherwise directed by the Bankruptcy Court, a purported notice of
24 withdrawal of Ballots or change in the vote which is not received in a timely manner will
25 not be effective to withdraw or change a previously furnished Ballot.

26 **5. Submission Of Ballots.**

1 The form of Ballot for each of the Classes entitled to vote on the Plan will
2 be sent to the FCR and all Creditors along with a copy of the Court-approved Disclosure
3 Statement and a copy of the Plan. The FCR and Creditors should read the Disclosure
4 Statement, Plan, and Ballot carefully. If the FCR or any Creditor has any questions
5 concerning voting procedures, it may contact:

6 Attorneys for the Debtor:

7 Sussman Shank LLP
8 1000 SW Broadway, Suite 1400
9 Portland, OR 97205
10 Telephone: 503-227-1111
11 Facsimile: 503-248-0130
12 Attn: Thomas W. Stilley or Howard M. Levine
13 E-Mail: tstilley@sussmanshank.com
14 hlevine@sussmanshank.com
15 Or

16 Attorneys for the Creditors Committee:

17 Pachulski Stang Ziehl & Jones LLP
18 10100 Santa Monica Boulevard, 11th Floor
19 Los Angeles, CA 90067-4100
20 Telephone: (310) 277-6910
21 Facsimile: (310) 201-0760
22 Attn: James I. Stang
23 E-Mail: jstang@pszjlaw.com

24 Ballot(s) or withdrawals/revocations must be returned to Omni
25 Management Group, LLC (the "~~Voting~~Balloting Agent") at the following addresses:

- 26
- 27 • If a Claimant files the ballot in person, by courier service, or by
28 overnight delivery (e.g. FedEx), the ballot should be delivered to the
29 following address, between the hours of 7:00 a.m. and 5:00 p.m.,
30 ~~Prevailing~~ Pacific Daylight Time, on business days:

31 **Society of Jesus, Oregon Province** ~~Case~~
32 Balloting Agent
33 c/o Omni Management Group, LLC
34 16161 Ventura Blvd, Suite C
35 PMB 478
36 ~~c/o TO BE DETERMINED~~ Encino, CA 91436

- 37 • If a Claimant files the ballot by mail, the ballot should be mailed with
38 sufficient lead time so that the ballot will be received at the following

address between the hours of 7:00 a.m. and ~~54~~:00 p.m., ~~Prevailing~~
Pacific Daylight Time, on business days:

Society of Jesus, Oregon Province ~~Case~~
Balloting Agent
c/o Omni Management Group, LLC
16161 Ventura Blvd, Suite C
PMB 478
~~c/o TO BE DETERMINED~~ Encino, CA 91436

- ~~• If a Claimant files the ballot by fax, the ballot should be faxed to the following with sufficient lead time that the ballot will be received at the following facsimile number by 5:00 p.m., Prevailing Pacific Time:~~

TO BE DETERMINED

Ballots (and withdrawals/revocations) must be received no later than ~~54~~:00 p.m.,
~~Prevailing~~ Pacific Daylight Time, on _____, June 30, 2011.

6. Confirmation Hearing and Plan Objection Deadline.

The Bankruptcy Court will hold a hearing on confirmation of the Plan commencing on _____, July 7, 2011 at _____ 9:30 a.m./p.m. in the Bankruptcy Courtroom No. 1, 1001 SW Fifth Avenue, 7th Floor, Portland, Oregon, 97204. All objections, if any, to the confirmation of the Plan must be in writing; must state with specificity the grounds for any such objections; and must be filed with the Bankruptcy Court on or before _____, ~~2011~~: June 30, 2011.

7. Feasibility

The Bankruptcy Code requires, as a condition to confirmation, that the Bankruptcy Court find that liquidation of the Debtor or the need for future reorganization is not likely to follow after confirmation. For the purpose of determining whether the Plan meets this requirement, the Debtor has prepared projections attached hereto as Exhibit "A" showing that the Reorganized Debtor will have the resources and ability to pay those Claims that are due on confirmation of the Plan and all of the Reorganized

Debtor's future obligations as they come due, and to make the contributions that the Reorganized Debtor is required to make to the Trust upon confirmation of the Plan.

B. Best Interests Of Creditors.

Under Section 1129(a)(7) of the Bankruptcy Code, the Plan must provide that Creditors receive at least as much under the Plan as they would receive in a Chapter 7 liquidation of the Debtor. The Debtor has agreed to provide funding to pay Administrative and Priority Claims in full (estimated to be approximately \$5,000,000), and to provide \$500,000 to pay non-priority General Unsecured Claims, resulting in a dividend of approximately 50% to General Unsecured Creditors. In addition, the Trust will receive approximately \$43.1 million from the Debtor and Participating Parties, approximately ~~\$418~~119.7 million in Insurance Recoveries from the ~~Settling Insurers~~Safeco, Travelers, and Western World, the Avoidance Actions, and Third Party Derivative Claims. This is substantially more than the Debtor believes it would be required to provide to Creditors if its assets were liquidated under Chapter 7. That is because the majority of the funds being used to pay Claims are from settlement of the Debtor's Insurance Claims against ~~its primary Insurer~~Safeco, Travelers, and Western World and from assets that are held in the Formation Fund, Aged and Infirm Fund, and Apostolic Works Fund, which the Debtor asserts are Charitable Trusts that the Debtor contends would not be available to pay Claims, absent the settlement. That issue has not been fully litigated but has been settled by the Debtor and the Committee to provide funding for this Plan. Furthermore, the ~~\$418,000,000~~119.7 million being provided by Safeco, Travelers, and Western World would not be available for distribution to all Abuse Claimants in Chapter 7, but would only be available to each Claimant on a claim-by-claim basis, and would ~~be~~ require the Claimant to personally pursue whatever Insurance Coverage might be available for his or her Claim. Litigation over the extent of the Debtor's assets that might be available to pay Claims and the extent of Insurance

Coverage, would be prolonged, subject to appeals, very costly to the estate, and have an uncertain outcome. As a result, the Proponents believe the Plan results in significantly more to Creditors than would be available if the Debtor's assets were liquidated in Chapter 7, thus satisfying the "best interest of creditors" test of Section 1129(a)(7) of the Bankruptcy Code.

C. Confirmation Over Dissenting Class.

In the event that any impaired class of Claims does not accept the Plan, the Bankruptcy Court may nevertheless confirm the Plan at the request of the Proponents if all other requirements under Section 1129(a) of the Bankruptcy Code are satisfied, and if, as to each impaired class which has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such non-accepting class. Each of these requirements is discussed below.

1. No Unfair Discrimination.

The Plan "does not discriminate unfairly" if: (a) the legal rights of a dissenting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the dissenting class; and (b) no class receives payments in excess of that which it is legally entitled to receive for its claims. The Proponents believe the Plan does not discriminate unfairly as to any impaired class of Claims.

2. Fair and Equitable Test.

The Bankruptcy Code establishes different "fair and equitable" tests for Secured Claims and Unsecured Claims, as follows:

(a) Secured Creditors. To satisfy the "fair and equitable" requirement as to a class of Secured Claims, the Plan must, at a minimum, provide that (i) each impaired secured creditor retains its liens securing a Secured Claim and receives on account of its secured claim deferred cash payments having a present

1 value equal to the amount of its Allowed Secured Claim, (ii) each impaired secured
2 creditor realizes the "indubitable equivalent" of its Allowed Secured Claim, or (iii) the
3 property securing the Claim is sold free and clear of liens with such liens to attach to the
4 proceeds, and the liens against such proceeds are treated in accordance with clause (i)
5 or (ii) of this subparagraph (a).

6 **(b) Unsecured Creditors.** To satisfy the "fair and equitable"
7 requirement, to the extent it applies in this Case, as to a class of unsecured Claims, the
8 Plan must, at a minimum, provide that (i) each impaired unsecured creditor receives or
9 retains under the Plan property of a value equal to the amount of its Allowed Claim, or
10 (ii) the holders of Claims and interests that are junior to the Claims of the non-accepting
11 class do not receive or retain any property under the Plan on account of such Claims
12 and interests.

13 **VIII. ALTERNATIVES TO THE PLAN.**

14 If the Plan is not confirmed, several different events could occur. Among the
15 alternatives to the Plan are: (1) the Debtor could propose another plan providing for
16 different treatment of Claims; (2) a creditor or other interested party could propose a
17 competing plan; or (3) the Bankruptcy Court (after appropriate notice and hearing) could
18 dismiss the Case if no party is able to confirm a plan in a reasonable period of time.

19 **IX. CONCLUSION.**

20 The Proponents believe the Plan provides the best alternative for paying Claims
21 as soon as possible and that the Plan is fair to and in the best interest of all Creditors
22 and other interested parties. Any alternative plan could not make available the
23 approximately \$43.1 million in Cash from the alleged charitable trust assets without
24 litigation and a court decision holding that those assets are available for payment of
25 Claims against the Debtor. The only potential assets not being utilized to provide
26 payment for Claims under the Plan are primarily those assets in the Apostolic Fund,

1 Formation Fund, and Aged & Infirm Fund that are subject to donor-imposed restrictions.
2 If the Debtor is correct in its assertion that the charitable trust assets could not be
3 involuntarily used to pay Claims, the distribution to Creditors under any alternative
4 would be severely reduced from that being offered in the Plan.

5 **DATED:** ~~April 7,~~ May 27, 2011.

6 **{SIGNATURES TO FOLLOW}**
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26

1 SOCIETY OF JESUS, OREGON PROVINCE, an Oregon
2 non-profit corporation,

3 /s/ Michael A. Tyrrell, SJ for
4 Patrick J. Lee, S.J.

By: _____
Patrick J. Lee, S.J., President

5 FUTURE CLAIMANTS REPRESENTATIVE

6 {TO BE PROVIDED}

7 Stephen S. Gray

8
9 SUSSMAN SHANK LLP

10 /s/ Thomas W. Stilley

11 By: _____
12 Thomas W. Stilley, OSB No. 883167
13 Howard M. Levine, OSB No. 800730
Attorneys for Society of Jesus,
Oregon Province, an Oregon non-
profit corporation

14 PACHULSKI STANG ZIEHL & JONES
15 LLP

16 /s/ James I. Stang

17 By: _____
18 James I. Stang, Admitted Pro Hac
19 Vice
Pamela Egan Singer, OSB No.
894231
Attorneys for the Official Committee of
Unsecured Creditors

20
21
22 F:\CLIENTS\19620\004\PLAN & DISCLOSURE STATEMENT\P-DISCLOSURE STATEMENT FIRST MODIFIED (FINAL ~~040711~~2).DOC